

Chapter 313: CUSTOMER NET ENERGY BILLING

SUMMARY: This rule establishes the requirements for net energy billing after the introduction of retail competition.

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§ 1 PURPOSE

The purpose of this Chapter is to implement the State's policy to encourage electricity generation from renewable resources through the adoption of requirements and standards for customer net energy billing.

§ 2 DEFINITIONS

- A. **Competitive Electricity Provider.** "Competitive electricity provider" means a marketer, broker, aggregator, or any other entity selling electricity to the public at retail in Maine.
- B. **Consumer-owned Transmission and Distribution Utility.** "Consumer-owned transmission and distribution utility" has the same meaning as specified in Title 35-A M.R.S.A. §3201(6).
- C. **Customer.** "Customer" means a person or an entity that takes electricity service through a transmission and distribution utility.
- D. **Eligible Facility.** "Eligible facility" means an electric generating facility that uses a renewable fuel or technology as specified in 35-A M.R.S.A. §3210(2)(C) or is a micro-combined heat and power system.
- E. **Micro-Combined Heat and Power System.** "Micro-Combined Heat and Power System" means a system that:
 - 1. Produces heat and electricity from one fuel input, without restriction to specific fuel or generating technology;
 - 2. Has an electric generating capacity rating of at least one kilowatt and not more than 30 kilowatts and a fuel system efficiency of not less than 80% in the production of heat and electricity or has an electric generating capacity of at least 31 kilowatts and not more than 660 kilowatts and a fuel system efficiency of not less than 65% in the production of heat and electricity;
 - 3. May work in combination with supplemental or parallel conventional heating systems;
 - 4. Is manufactured, installed and operated in accordance with applicable government and industry standards; and
 - 5. Is connected to the electric grid and operated in conjunction with the facilities of a transmission and distribution utility.
- F. **Net Energy.** "Net energy" is the difference between the kilowatt-hours consumed by a customer or shared ownership customers and the kilowatt-hours generated by the customer's or shared ownership customers' eligible facility over a billing period.
- G. **Net Energy Billing.** "Net energy billing" is a billing and metering practice under which a customer and shared ownership customers are billed on the basis of net energy over the

billing period taking into account accumulated unused kilowatt-hour credits from the previous billing period.

- H. **Ownership Interest.** "Ownership interest" means a legally enforceable ownership interest or legally enforceable rights and obligations in an eligible facility.
- I. **Shared Ownership Customers.** "Shared ownership customers" mean customers that have an ownership interest in an eligible facility.
- J. **Shared Ownership Facility.** "Shared ownership facility" means an eligible facility in which more than one customer has an ownership interest.
- K. **Standard Offer Provider.** "Standard offer provider" means a provider of standard offer service chosen pursuant to Chapter 301 of the Commission's rules.
- L. **Transmission and Distribution Utility.** "Transmission and distribution utility" has the same meaning as specified in Title 35-A M.R.S.A. §101(20-B).

§ 3 ANNUALIZED CUSTOMER NET ENERGY BILLING

- A. **Customer Qualification.** Any customer of a transmission and distribution utility that owns or has the legal rights to energy generated using an eligible facility may elect net energy billing. The customer may elect net energy billing for customer's accounts or meters within the transmission and distribution utility's service territory.
- B. **Shared Ownership Customers Qualification.** Shared ownership customers of a transmission and distribution utility that own or have the legal rights to energy generated using an eligible facility may elect net energy billing as specified in this subsection.
 - 1. **Ownership Interest.** Shared ownership customers must have a legally enforceable ownership interest or legally enforceable rights and obligations in the eligible facility under which the customers have joint responsibility for the costs of the shared ownership facility and have the rights to the benefits of the output of the shared ownership facility in proportion to the cost responsibilities.
 - 2. **Contact Person.** Shared ownership customers must designate a single contact person to be responsible for all communications with the transmission and distribution utility regarding the shared ownership net energy billing arrangement. The contact person shall promptly inform the transmission and distribution utility of any material changes to the joint ownership interests or arrangements of the shared ownership customers, including any changes in the meters or accounts subject to net energy billing.
 - 3. **Competitive Electricity Provider.** A participant in a shared ownership net energy billing arrangement pursuant to this section shall not be considered a competitive electricity provider under Title 35-A, chapter 32.

4. **Application.** Shared ownership customers must submit to the transmission and distribution utility an application for a net energy billing arrangement that contains the information specified in this subsection and other information that the transmission and distribution may reasonably require.
 - a. **Customer identities.** A list of the names, addresses, telephone numbers and account numbers of each of the shared ownership customers.
 - b. **Ownership interest.** Documentation that the shared ownership customers have a valid ownership interest in the shared ownership facility as required by this section, including the proportional ownership of each shared ownership customer.
 - c. **Contact person.** The name, mailing address, telephone number, and e-mail address of the shared ownership customers' contact person.
 - d. **Accounts.** A designation of the accounts or meters that will be subject to the shared ownership net energy billing arrangement.
 - e. **Facility.** A description of the shared ownership facility, including the facility's location, capacity, and fuel type or generating technology.
 5. **Qualification Dispute.** A transmission and distribution utility may dispute the customers' eligibility for shared ownership net energy billing arrangement under this section by filing a Notice of Dispute with the Commission. The transmission and distribution utility must file a Notice of Dispute with 21 days of the submission of an application for a shared ownership net energy billing arrangement.
 6. **Consumer-owned Utility Exemption.** Consumer-owned transmission and distribution utilities are not required to provide shared ownership net energy billing arrangements pursuant to this section. Consumer-owned transmission and distribution utilities may elect to provide shared ownership net energy billing arrangements in accordance with this section.
- C. **Eligible Facilities.** An eligible facility located in a service territory of an investor-owned transmission and distribution utility must have an installed capacity of 660 kW or less. An eligible facility located in a service territory of a consumer-owned transmission and distribution utility must have an installed capacity of 100 kW or less unless the consumer-owned transmission and distribution utility elects to allow facilities with an installed capacity of up to 660 kW. An eligible facility must be used primarily to offset part or all of the customer's or shared ownership customers, own electricity requirements.
- D. **Service Territory.** The eligible facility and the customer accounts subject to net energy billing must be located within a service territory of a single transmission and distribution utility.

- E. **Billing Requirements.** At the option of a customer or shared ownership customers qualifying under this section, transmission and distribution utilities must bill on an annualized net energy basis as follows:
1. **Excess Generation.** If the electricity generated during the billing period by the eligible facility plus any kilowatt-hour credits from prior billing periods exceed the customer's or the shared ownership customers' kilowatt-hour usage during the billing period, the excess shall be applied to the customer's bill or the shared ownership customers' bills for the following billing period as a reduction in the customer's kilowatt-hour usage.
 2. **Excess Usage.** If the customer's or the shared ownership customers' kilowatt-hour usage exceeds the electricity generated by the eligible facility during the billing period plus any kilowatt-hour credits pursuant to subparagraph 1, the customer or the shared ownership customers shall be billed for the excess kilowatt-hour usage at the applicable retail rate for electricity service.
 3. **Unused Credits.** A customer or shared ownership customers may accumulate unused kilowatt-hour credits and apply them against kilowatt-hour usage over a 12-month period. At the end of each 12-month period, any accumulated unused kilowatt-hour credits shall be eliminated and may not be applied against any future kilowatt-hour usage. The customer or the shared ownership customers will receive no compensation for unused kilowatt-hour credits.
 4. **Non-usage Charges.** Net energy billing only applies to kilowatt-hour usage charges. Net energy billing customers or the shared ownership customers are responsible for all other charges applicable to the customer's rate class and recovered either through fixed amounts or over units other than kilowatt-hours.
 5. **Shared Ownership Billing.** The transmission and distribution utility shall allocate the generation output during the billing period and any kilowatt-hour credits from prior billing periods based on the ownership interest of the shared ownership customers in the eligible facility. The transmission and distribution utility may place shared ownership customers on the same billing cycle.
 6. **Limit on Accounts.** Customers or shared ownership customers may designate no more than 10 accounts or meters for net energy billing.
- F. **Generation Provider.** A customer or the shared ownership customers that elect net energy billing may obtain generation service from any competitive electricity provider that agrees to provide service on a net energy basis. If the customer or the shared ownership customers obtains service from the standard offer, the standard offer provider shall provide service on a net energy basis.
- G. **Additional Meters.** Nothing in this section shall prohibit a utility from installing additional meters to record purchases and sales separately, provided, however, that no customer or the shared ownership customers that elect to be billed on a net energy basis shall be charged for the cost of the additional meters or other necessary equipment.

- H. **Interconnection Requirements.** A customer or shared ownership customers that elects net energy billing must comply with all interconnection, safety and reliability requirements of the transmission and distribution utility applicable to the eligible facility.
- I. **Standard Contract and Application.** Each transmission and distribution utility shall develop a standard contract and application form for annualized customer net billing consistent with the provisions of this Chapter. . The standard contract shall allow customers to choose a contract with no specified term or with a term length of up to ten years. In the event a customer chooses a contract term length, the contract shall include a provision that obligates the parties to negotiate in good faith to revise the contract terms if there is a change in statute or rule that materially alters any right or obligation of a contracting party.
- J. **Commission Review.** A transmission and distribution utility shall notify the Commission if the cumulative capacity of generating facilities subject to the provisions of this Chapter reaches 1.0 percent of its peak demand. Upon notification, the Commission will review this Chapter to determine whether net energy billing pursuant to this Chapter should continue or be modified.
- K. **Annual Report.** On March 1 of each year, transmission and distribution utilities shall file with the Commission an annual net energy billing report for the previous calendar year. The annual net energy billing report shall include: (1) a list of all net energy billing arrangements; (2) the capacity, energy output and fuel type or generating technology of each eligible facility; (3) the number of accounts or meters associated with each shared ownership net energy billing arrangement; (4) and an estimate of the revenue loss associated with the net energy billing arrangements.

§ 4 WAIVER OR EXEMPTION

Upon the request of any person subject to this Chapter or upon its own motion, the Commission may, for good cause, waive any requirement of this Chapter that is not required by statute. The waiver may not be inconsistent with the purposes of this Chapter or Title 35-A. The Commission, the Director of Technical Analysis, or the Presiding Officer assigned to a proceeding related to this Chapter may grant the waiver.

STATUTORY AUTHORITY: 35-A M.R.S.A. §§ 104, 111, 1301, 3203(9) and 3210

EFFECTIVE DATE: This rule was approved as to form and legality by the Attorney General on December 15, 1998. It was filed with the Secretary of State on December 15, 1998 and became effective on December 20, 1998.

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